



Testimony

Testimony Before the House Committee on Public Education

House Bill 880

by James Quintero, Director

My name is James Quintero, and I represent the Texas Public Policy Foundation. Thank you for the opportunity to address the committee today on [House Bill 880](#). I am here to testify in support of the bill.

As introduced, HB 880 would amend the Education Code by adding the following provision:

The board of trustees may not make a severance payment to a superintendent in an amount greater than one year's salary under the superintendent's terminated contract.

Enacting this type of reform is sorely needed.

From a macro perspective, the current system allows a tremendous amount of money to be siphoned away from the classroom. According to a recent report from the Texas Monitor, a small number of Texas school districts—numbering around two dozen—[approved \\$6 million in payments to their departing superintendents](#) from January 2017 to March 2018. An August 2018 report from the Legislative Budget Board uncovered similar results, finding: [“From fiscal years 2013 to 2017, school districts issued severance payments to 141 superintendents. These payments totaled approximately \\$18.3 million.”](#)

On a case-by-case basis, the excess in the system is even more apparent.

- **Garland ISD:** In January 2017, Garland ISD parted ways with its superintendent and provided him with an [“aggregate payment amount”](#) of \$686,225.50. That amount included [“the total amount of salary owed, benefits, leave and vacation time, and other perks”](#) and was more than double his annual base salary of \$282,733.
- **Johnson City ISD:** In January 2017, the Johnson City school district—a small ISD with student enrollment of less than 750 students—awarded its outgoing superintendent with a [severance payment of \\$256,727](#). His base salary was \$149,547—and the payout came at a time when the district was struggling with an almost \$1 million deficit.
- **Spur ISD:** In February 2017, Spur ISD—a district with less than 300 students enrolled—[made a \\$175,228 severance payment](#) to its superintendent. Her base salary was \$109,928.
- **Bloomington ISD:** In March 2017, the Bloomington ISD [board awarded \\$291,591 to its superintendent](#). Her annual salary was \$199,697.68.
- **Higgins ISD:** In June 2017, Higgins ISD—a district with only 122 students—[paid its departing administrator \\$187,803](#). His annual salary at the time was just \$97,490.
- **Katy ISD:** In May 2018, the Katy ISD school board unanimously approved a \$750,000 payout to its superintendent, [“equivalent to two years of his salary,”](#) according to the *Houston Chronicle*.

There are many more examples like this, but hopefully the point has been made—superintendent severance payments can be an expensive affair for taxpayers and divert substantial resources away from the classroom. That’s an especially poignant point in light of the robust conversations happening now on school finance reform.

If passed, House Bill 880 would improve the status quo by tamping down on some of these excessive payments. With a few modifications, the bill could be made even better too.

For ideas on how to improve HB 880, it may be instructive to see reforms enacted in other states. In Illinois, for example, the state Legislature recently enacted the “[Government Severance Payment Act](#)” which limits payouts to 20 weeks of compensation and prohibits any form of compensation when the public employee is fired for misconduct. This law follows in the footsteps of a Florida law that places a similar [20-week compensation cap on severance payments](#) for public employees.

Excerpt: [The Government Severance Payment Act](#)

Section 10. Severance pay.

(a) A unit of government that enters into a contract or employment agreement, or renewal or renegotiation of an existing contract or employment agreement, that contains a provision for severance pay with an officer, agent, employee, or contractor must include the following provisions in the contract:

(1) a requirement that severance pay provided may not exceed an amount greater than 20 weeks of compensation; and

(2) a prohibition of provision of severance pay when the officer, agent, employee, or contractor has been fired for misconduct by the unit of government.

(b) Nothing in this Section creates an entitlement to severance pay in the absence of its contractual authorization or as otherwise authorized by law.

Source: Illinois General Assembly, [Public Act 100-0895](#)

With or without these particular changes, the process as a whole can clearly benefit from good government reform. Done right, the system can be changed to boost taxpayer confidence in the system and ensure that more tax dollars are going to help the classroom.

Thank you for your time. I look forward to answering any questions that you may have. ★



James Quintero is the director of the Think Local Liberty project at the Texas Public Policy Foundation. He’s been featured in the *New York Times*, *Forbes*, the *Huffington Post*, Fox News, and Breitbart.

Since joining the Foundation in 2008, Quintero has focused his research efforts on state and local government spending, debt, taxes, financial transparency, annexation, and pension reform. Quintero received a bachelor’s degree from the University of Texas at Austin and an M.P.A. with an emphasis in public finance from Texas State University.

About Texas Public Policy Foundation

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The public is demanding a different direction for their government, and the Texas Public Policy Foundation is providing the ideas that enable policymakers to chart that new course.

